

RAIL-CAR SERVICES.

Rail-car services on two routes were in operation throughout the year, viz. :—

Route.	Commenced running.
Christchurch—Greymouth—Hokitika	5th August, 1936.
Wellington—Wairarapa—Palmerston North	17th September, 1936.

The following statement shows the results of the operation of these services for the full year 1937–38 compared with the part year of 1936–37 :—

Revenue—				1937–38.	1936–37 (Part Year).	Variation.
				£	£	£
Passenger .. ..	..	..	..	25,983	11,977	+ 14,006
Parcels, mails, and newspapers .. ..	..	..	..	3,123	1,724	+ 1,399
Total				£29,106	£13,701	+£15,405
Expenditure				£26,043	£13,762	£12,281
Net revenue				£3,063	£61*	+ £3,124
Mileage				362,991	201,448	+161,543

* Loss.

Details of the operations of the two services are set out below :—

CHRISTCHURCH—GREYMOUTH—HOKITIKA.

The revenue for the year amounted to £9,192, as compared with £5,207 for the part year of 1936–37, an increase of £3,985. Expenditure rose from £3,293 to £6,272, an increase of £2,979. The revenue and expenditure per mile for 1938 were 20·14d. and 13·74d. respectively, as compared with 16·58d. and 10·48d. per mile for the part year of 1936–37.

The mileage per gallon of fuel consumed was 18·59, compared with 17·90 last year, an improvement of 0·69 of a mile.

This service is maintained primarily for the purpose of conveying newspapers from Christchurch to the West Coast of the South Island, accommodation for passengers being limited to nineteen persons in each of the two small Diesel units operating the service.

WELLINGTON—WAIRARAPA—PALMERSTON NORTH.

The revenue for the year ended 31st March, 1938, was £19,914, as compared with £8,494 for the part year of 1936–37, an increase of £11,420. Expenditure totalled £19,771, an increase of £9,841. The net revenue, added to the saving in direct cost of steam-train miles replaced during the year (43,680 at 4s. 2·8d. per mile), gives a total gain from the operation of rail cars on this route of £9,389, whilst the rail-car mileage run in this area (253,430 miles) affords some indication of the substantial improvement in the passenger transport facilities provided. Revenue per mile this year was 18·86d. and expenditure 18·72d. per mile.

Six passenger-vehicles and one passenger and goods composite unit are employed on this service. The composite vehicle is Diesel-engined, while the passenger units are equipped with 130-horse-power petrol-engines and torque converters.

DEPARTMENTAL DWELLINGS.

				1938.	1937.	Variation.	
				£	£	£	Per Cent.
Revenue .. ..	..	..	..	130,683	131,187	— 504	0·38
Expenditure .. ..	..	..	..	183,182	164,746	+ 18,436	11·19
Loss				£52,499	£33,559	+£18,940	56·44

The decrease in revenue is due to the fact that ordinarily fifty-two weeks' rents are accounted for in each year, with the consequence that every fifth or sixth year the number of weeks' rents accounted for is increased to fifty-three. This year the receipts for fifty-two weeks have been accounted for, as against fifty-three weeks last year—hence the decline in revenue. An additional number of houses were, however, occupied this year, thus counteracting the above influence to a large extent.

The increase in expenditure is largely due to an extensive programme of repairs and painting of dwellings having been carried out during the year; also to improvements made to houses in the form of porches, 179 of which were erected during the year. The increase in wages and the full year's working of the forty-hour week, together with the higher prices of commodities, were also reflected in the expenditure.

Two hundred and sixty dwellings were equipped with hot-water services and one hundred and sixty-two with electric lighting in the financial year under review, this expenditure being charged to the Capital Account.